A

CHOCOSUISSE UNION DES FABRICANTS SUISSES DE CHOCOLAT & ORS

v.

MAESTRO SWISS CHOCOLATE SDN BHD & ORS

B

COURT OF APPEAL, PUTRAJAYA
SYED AHMAD HELMY JCA
ZAHARAH IBRAHIM JCA
BALIA YUSOF WAHI JCA
C [CIVIL APPEAL NO: W-02-602-2010]
7 DECEMBER 2012

CIVIL PROCEDURE: *Parties - Locus standi - Tort of passing off - Dispute as to usage of name 'Maestro Swiss' on chocolate products -*
D *Whether led public to believe that products manufactured in Switzerland - Whether first appellant had locus standi to commence suit - Whether members of first appellant shared common interest in protecting designation 'Swiss Chocolates' or words that had Swiss origin - Interested person - Definition of - Geographical Indications Act 2000, ss. 2, 5 & 11 -*
E *Whether empowered first appellant to commence action*

TORT: *Passing off - Goodwill - Usage of name 'Maestro Swiss' in relation to chocolate products manufactured in Malaysia - Whether led public to believe that products were manufactured in Switzerland -*
F *Goodwill and reputation - Whether affected - Whether likelihood of confusion arose - Conduct of survey - Consideration of - Whether consumer examines details of manufacturer - Extended passing off - Whether committed - Geographical Indications Act 2000, s. 5 - Whether breached*

G ***WORDS & PHRASES:*** *'Interested person' - Definition of - Geographical Indications Act 2000, ss. 2, 5 & 11*

The present appeal stemmed from the decision of the High Court in dismissing the appellants' claim against the respondents for the
H tort of extended passing off and their claim under s. 5 of the Geographical Indications Act 2000 ('the GIA'). The respondents had used the name 'Maestro Swiss' in relation to chocolates and chocolate-related products with the brand name 'Vochelle'. The appellant contended that given the reputation and goodwill for fine
I quality chocolates made and exported from Switzerland, the use of the name 'Maestro Swiss' would lead a significant number of the

Malaysian public to believe that the products were manufactured in Switzerland or by a Swiss manufacturer. The appellants claimed for extended passing off, contending that the continued use of the name 'Maestro Swiss' by the respondents was calculated to misappropriate the substantive goodwill and reputation and/or commercial advantage enjoyed by the appellants and/or other Swiss chocolate manufacturers in relation to Swiss chocolates. It was further contended by the appellants that such continued use had caused deception and/or confusion to the public and the trade as well as irreparable prejudice, loss, damage and injury to the appellants. On their claim for contravention of the GIA, the appellants claimed that the respondents' use of the name 'Maestro Swiss' and the manner in which it was presented to the public, using the colours white and red in association with the Swiss flag, were calculated to deceive and/or confuse the public into thinking that the chocolates were produced in or originated from Switzerland or had association or connection with Switzerland or Swiss chocolates. In support of their arguments, the appellant conducted a random survey of consumers and the result indicated that some members of the public were likely to be confused into believing that the Vochelle brand of chocolates produced and marketed by the respondents originated from Switzerland or were Swiss chocolates. In dismissing the appellants' claim, the High Court Judge held that the respondents' chocolate products had not led nor was it likely to lead Malaysian chocolate consumers to believe that such chocolate products were made in or imported from Switzerland. The learned judge took into consideration the fact that information to the effect that the products were manufactured by a Malaysian company in Malaysia was printed in the back portion of the packaging. The market survey conducted by the appellant was found to be unreliable due to its location, nature of questions and the time that it took place. As for geographical indication, it was held that the name 'Maestro Swiss' was not used on the respondents' packaging to indicate that the products originated from Switzerland. Aggrieved, the appellants appealed against the decision of the High Court Judge. The issues that arose before this court were: (i) whether the first appellant had the necessary *locus standi* to commence the present suit; (ii) whether the respondents had committed the tort of extended passing off against the appellants; and (iii) whether the provisions of the GIA had been breached by the respondents to the detriment of the appellants.

Held (allowing appeal; setting aside decision of High Court) Per Zaharah Ibrahim JCA delivering the judgment of the court:

(1) The first appellant had the requisite *locus standi* to initiate the action under common law as well as under the GIA. The members of the first appellant shared a common interest in protecting the designation 'Swiss Chocolates' or words which indicate that the chocolates have Swiss origin or connection with Switzerland. Therefore, they share the goodwill in protecting that designation. Furthermore, the cumulative effect of 'interested person' in s. 2, read together with ss. 5 and 11 of the GIA empowers the first appellant to commence this action. (paras 24, 27 & 28)

(2) The learned judge had erred in not giving any consideration at all to the results of the random survey. The location of the random survey was the consumers' perception of chocolate products which was an essentially urban consumer product. While leading questions appeared to be among the questions in the survey form, when taken as a whole, the questions were acceptable for their intended purpose. Even if the survey was conducted four years after the filing of this suit, it was not sufficient to totally discredit the survey of its results especially since there was no evidence that the respondents knew of this suit. (paras 51, 52, 53 & 55)

(3) The learned judge failed to consider the evidence of members of the buying public suggesting that the average consumer does not normally examine the details of the manufacturer printed on the back of the product packaging. Had he given due consideration to all the evidence before him, he would have came to the conclusion that there was a likelihood of confusion in the minds of some members of the public that the chocolate products manufactured and marketed by the respondents came from the distinctive group of Swiss chocolates. (paras 60, 63 & 64)

(4) The learned judge had not given due consideration to the evidence which, on the balance of probability, showed a conscious use of 'Maestro Swiss' on the front part of the packaging so as to give the impression of a link with Switzerland or a Swiss company. Had the learned judge given due consideration to the evidence before the court, he would

have concluded that the use of the name 'Maestro Swiss' in the circumstances of this case was not a *bona fide* use of the respondents' corporate name and or/logo. (paras 67 & 79)

(5) In light of the definition of the term 'geographical indication' in s. 2 of the GIA and the evidence before the High Court, the learned judge erred in dismissing the appellants' claim under the GIA solely on the ground that the impugned words were not a geographical indication. (paras 81 & 82)

Bahasa Malaysia *Translation Of Headnotes*

Rayuan ini berbangkit daripada keputusan Mahkamah Tinggi yang telah menolak tuntutan perayu-perayu terhadap responden-responden bagi tort kelirupaan dan tuntutan mereka di bawah s. 5 Akta Petunjuk Geografi 2000 ('APG'). Responden-responden telah menggunakan nama 'Maestro Swiss' bagi coklat dan produk berkaitan coklat dengan jenama 'Vochelle'. Perayu-perayu menghujahkan bahawa memandangkan reputasi dan nama baik bagi coklat berkualiti baik dibuat dan dieksport dari Switzerland, penggunaan nama 'Maestro Swiss' akan menyebabkan sebilangan besar rakyat Malaysia percaya bahawa produk tersebut dihasilkan di Switzerland atau oleh pengilang Swiss. Perayu-perayu menuntut bagi lanjutan kelirupaan, dengan menghujahkan bahawa penggunaan berterusan nama 'Maestro Swiss' oleh responden-responden terjumlah sebagai menyalahgunaan nama baik substantif dan/atau kelebihan komersial yang dinikmati oleh perayu-perayu dan/atau lain-lain pengeluar coklat Swiss berkaitan coklat Swiss. Dihujahkan lagi oleh pihak perayu bahawa penggunaan berterusan telah menyebabkan penipuan dan/atau kekeliruan kepada orang ramai dan perdagangan serta prejudis, kerugian, kerosakan dan penjejasan kepada perayu. Bagi dakwaan mereka mengenai pelanggaran APG, perayu-perayu mendakwa bahawa penggunaan nama 'Maestro Swiss' oleh responden-responden dan cara ia didedahkan kepada orang ramai, dengan menggunakan warna putih dan merah yang melambangkan bendera Switzerland, adalah dianggap menipu dan/atau mengelirukan orang ramai agar beranggapan bahawa coklat tersebut dihasilkan dalam atau berasal dari Switzerland atau mempunyai perkaitan dengan Switzerland atau coklat Swiss. Dalam menyokong hujahan mereka, perayu-perayu telah menjalankan tinjauan rawak ke atas pengguna-pengguna dan hasil tinjauan menunjukkan bahawa segelintir orang awam mungkin akan terkeliru dalam kepercayaan bahawa jenama coklat Vochelle yang dihasilkan dan dipasarkan oleh responden-

responden berasal dari Switzerland atau merupakan coklat Swiss. Dalam menolak tuntutan perayu-perayu, Hakim Mahkamah Tinggi memutuskan bahawa produk coklat responden-responden tidak menyebabkan atau tidak berkemungkinan menyebabkan konsumer coklat Malaysia percaya bahawa produk coklat tersebut telah dihasilkan di dalam atau diimport dari Switzerland. Yang arif hakim menimbangkan fakta bahawa maklumat produk adalah bahawa ia telah dihasilkan oleh sebuah syarikat Malaysia di Malaysia yang mana tercetak pada bahagian belakang pembungkusan. Tinjauan pasaran yang dijalankan oleh perayu-perayu diputuskan tidak boleh menjadi sandaran atas sebab lokasi, bentuk soalan-soalan dan masa ia dijalankan. Bagi petunjuk geografi, ia telah diputuskan bahawa nama 'Maestro Swiss' tidak digunakan pada pembungkusan responden untuk menunjukkan bahawa produk tersebut berasal dari Switzerland. Terkilan, perayu merayu terhadap keputusan Hakim Mahkamah Tinggi. Dalam rayuan ini, isu-isu yang dikemukakan di mahkamah adalah: (i) sama ada perayu pertama mempunyai *locus standi* yang diperlukan bagi memulakan guaman ini; (ii) sama ada responden-responden telah melakukan tort lanjutan kelirupaan terhadap perayu-perayu; dan (iii) sama ada peruntukan APG telah dilanggar oleh responden-responden hingga menjejaskan perayu-perayu.

Diputuskan (membenarkan rayuan; mengenepikan perintah Mahkamah Tinggi)

Oleh Zaharah Ibrahim HMR menyampaikan penghakiman mahkamah:

(1) Perayu pertama mempunyai *locus standi* yang diperlukan bagi memulakan tindakan di bawah "common law" serta di bawah APG. Ahli perayu pertama berkongsi kepentingan bersama dalam melindungi penetapan 'Swiss Chocolates' atau perkataan-perkataan yang menunjukkan bahawa coklat-coklat tersebut mempunyai asal-usul dari Switzerland atau perkaitan dengan Switzerland. Oleh itu, mereka berkongsi nama baik dalam melindungi penetapan tersebut. Tambahan, kesan kumulatif 'orang yang berkepentingan' dalam s. 2, dibaca bersama-sama dengan ss. 5 dan 11 APG memberikan kuasa kepada perayu pertama untuk memulakan tindakan ini.

(2) Yang arif hakim terkhilaf dalam tidak memberikan sebarang pertimbangan sama sekali ke atas keputusan hasil tinjauan rawak. Lokasi tinjauan rawak adalah persepsi pengguna terhadap produk-produk coklat yang pada asasnya merupakan

produk pengguna bandar. Walaupun soalan memimpin diperlihatkan dalam soalan-soalan yang terdapat dalam borang tinjauan rawak, jika diambil secara keseluruhan, soalan-soalan tersebut boleh diterima bagi tujuan yang dimaksudkan. Walaupun tinjauan tersebut telah dijalankan empat tahun selepas pemfailan guaman ini, ia tidak mencukupi untuk menolak keputusan tinjauan tersebut sepenuhnya terutamanya kerana tidak terdapat keterangan bahawa responden-responden mengetahui mengenai guaman ini.

(3) Yang arif hakim telah gagal mempertimbangkan keterangan pembeli awam yang menunjukkan bahawa secara amnya, pengguna kebiasannya tidak akan memeriksa butiran-butiran pengeluar yang tercetak pada bahagian belakang pembungkusan produk. Sekiranya beliau telah memberikan pertimbangan wajar terhadap keterangan yang dikemukakan kepadanya, beliau akan memutuskan bahawa terdapat kemungkinan kekeliruan dalam minda sesetengah orang awam bahawa produk-produk coklat yang dihasilkan dan dipasarkan oleh responden-responden adalah daripada kumpulan coklat-coklat Swiss yang berbeza.

(4) Yang arif Hakim Mahkamah Tinggi telah gagal memberikan pertimbangan wajar ke atas keterangan yang, pada imbangan kebarangkalian, menunjukkan penggunaan 'Maestro Swiss' secara sedar pada bahagian depan pembungkusan yang memberikan gambaran perkaitan dengan negara Switzerland atau sebuah syarikat Swiss. Sekiranya yang arif hakim telah memberikan pertimbangan wajar ke atas keterangan yang dikemukakan di mahkamah, beliau akan memutuskan bahawa penggunaan nama 'Maestro Swiss' dalam hal keadaan kes ini bukanlah penggunaan *bona fide* nama korporat dan/atau oleh responden-responden.

(5) Berdasarkan tafsiran istilah 'petunjuk geografi' dalam s. 2 APG dan keterangan yang dikemukakan di Mahkamah Tinggi, yang arif hakim telah terkhilaf dalam menolak tuntutan perayu-perayu di bawah APG semata-mata atas alasan bahawa perkataan yang dipersoalkan bukanlah suatu petunjuk geografi.

Case(s) referred to:

Chocosuisse Union des Fabricants Suisse de Chocolat and Others v. Cadbury [1998] RPC 117 ***(foll)***

Consitex SA v. TLC Marketing Sdn Bhd [2008] 8 CLJ 444 HC ***(foll)***

Marengo v. Daily Sketch [1948] 65 RPC 242 ***(refd)***

A *Mun Loong Co Sdn Bhd v. Chai Tuck Kin [1982] CLJ 80; [1982] CLJ (Rep) 590 HC* ***(refd)***
Taittinger SA v. Allbec Ltd [1993] FSR 641 ***(refd)***
The Scotch Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd [1994] 3 CLJ 509 HC ***(foll)***

B **Legislation referred to:**
Geographical Indications Act 2000, ss. 2, 5, 11

For the appellants - Linda Wang (April Wong with her); M/s Tay & Partners
For the respondents - SF Wong (CY Loi with him); M/s Shearn Delamore & Co
C

[Appeal from High Court, Kuala Lumpur; Civil Suit No: D5(IP)-22-1475-2005]

Reported by Najib Tamby

D **JUDGMENT**

Zaharah Ibrahim JCA:

Introduction

E **[1]** This is an appeal from the decision of the High Court Judge in Kuala Lumpur who dismissed the appellants' claim against the respondents for the tort of extended passing off and their claim under s. 5 of the Geographical Indications Act 2000 ("the GIA").

F **[2]** We heard the appeal on 14 March 2012 and allowed the appeal.

[3] We had, when delivering our decision, also stated our brief grounds for allowing the appeal. We now give the full grounds of our decision.
G

Brief Background Facts

[4] The appellants' suit against the respondents was precipitated by the use by the respondents of the name "Maestro SWISS" in
H relation to chocolate and chocolate-related products, particularly in relation to chocolates with the brand name "Vochelle".

[5] The essence of the appellants' objection to the use by the respondent of the words "Maestro SWISS" is that given the reputation and goodwill for fine quality chocolates manufactured in
I and exported from Switzerland, the use of the words "Maestro SWISS" in relation to chocolates and chocolate-related products would be taken by a significant section of the Malaysian public as

being indicative of the chocolates or chocolate-related products bearing such words having been manufactured in Switzerland or by a Swiss manufacturer.

[6] As stated earlier above, the appellants' attack against such use by the respondents was mounted from two flanks: extended passing off and contravention of the GIA.

[7] On their claim for extended passing off, the appellants claimed that the continued use by the respondents of the words "Maestro SWISS" in relation to chocolates and chocolate-related products by the respondents was calculated to misappropriate the substantive goodwill and reputation and/or commercial advantage enjoyed by the appellants and/or other Swiss chocolate manufacturers in relation to Swiss chocolates. Such continued use had caused and would continue to cause, according to the appellants, deception and/or confusion to the members of the public and the trade as well as irreparable prejudice, loss, damage and injury to the appellants.

[8] The appellants' position was that the tort of passing off they based their claim on was the tort of extended passing off, a specialised form of passing off.

[9] On their claim for contravention of the GIA, the appellants claimed that the respondents' use of the words "Maestro SWISS" and the manner in which those words were presented to the public in relation to chocolates and chocolate-related products (in particular the use of the colours white and red, which are the colours of the Swiss flag, in association with those words) were calculated to deceive and/or confuse the public into thinking that chocolates bearing the words "Maestro SWISS" are produced in or originated from Switzerland or has association or connection with Switzerland or Swiss chocolates.

[10] The respondents, while admitting the use of the impugned words and the colours, claimed to have legitimate right to such use. They claimed to have extensively promoted and advertised the marks in relation to their products, both chocolate and non-chocolate, and this had acquired its own distinctiveness in relation to the respondents' chocolates.

[11] The respondents claimed that the word "Swiss" and "Swiss chocolates" have "primary descriptive meanings with no acquired secondary meaning capable of supporting an action founded in passing off". They had never represented their products as having been produced in or imported from Switzerland.

[12] The respondents also claimed that the words "Maestro SWISS" were indicative of the name of the group of companies to which the respondents belonged.

[13] On the claims of contravention of the GIA, the respondents' position was that they had been using the mark/words even before the GIA came into force and such use therefore fell outside the "grasp" of the GIA.

High Court Decision

[14] The learned High Court Judge dismissed the appellants' claim primarily on the ground that the use of the words "Maestro SWISS" on the respondents' chocolate products had not led or nor was it likely to lead ordinary members of the chocolate buying public in Malaysia to believe that such chocolate products were made in or imported from Switzerland.

[15] His Lordship accepted that the totality of evidence before him established that significant members of the trade and public in Malaysia recognised that chocolates made in Switzerland belonged to a group of products "of distinctive reputation and quality" and that where the trade description "Swiss chocolate" was applied to chocolates, the description denoted that the chocolates were made entirely in Switzerland and were high quality and premium chocolates.

[16] However, His Lordship found that the words "Swiss chocolate" did not appear anywhere on the respondents' chocolate product packaging. What did appear on the packaging was information to the effect that the products were made in Malaysia.

[17] His Lordship found that taken as a whole, the packaging of the respondents' chocolate products was distinctive enough that no reasonable person could have taken them to be Swiss chocolates.

[18] As for the market survey conducted by the plaintiff, His Lordship found that to be unreliable.

[19] The learned High Court Judge found that the words "Maestro SWISS" were taken from the respondents' common corporate name of Maestro Swiss. The group traded in other commercial areas, not just in the manufacture and sale of chocolate products alone. His Lordship found the respondents did

not create any false impression that their products were Swiss chocolates and they did not misrepresent their goods as being in some way connected with the appellants.

[20] As for geographical indication, His Lordship held that the 'Maestro SWISS' device was not used on the respondents' packaging to indicate that the products originated from Switzerland, which was what a geographical indication was, unlike, in the examples given by His Lordship, "Sarawak pepper" or "Sabah tea".

[21] With regard to the 1st appellant, the learned High Court Judge held that it had no *locus standi* to commence this suit.

Issues

[22] Having heard the submissions of the parties, we were of the view that the issues before us were:

(1) whether the first appellant had the necessary *locus standi* to commence this suit;

(2) whether the respondents had committed the tort of extended passing off against the appellants;

(3) whether the provisions of the GIA had been breached by the respondents to the detriment of the appellants.

Issue (1): *Locus Standi* Of The Appellants

[23] The respondents contended that the first appellant had no *locus standi* to commence action for extended passing off as they did not produce chocolates and had no goodwill to protect.

Decision

[24] On the issue of *locus standi*, we agree with the appellants that the first plaintiff has the requisite *locus standi* to initiate the action under common law as well as under the GIA. For the position under common law, we adopt and approve the decision in *The Scotch Whisky Association & Anor v. Ewein Winery (M) Sdn Bhd* [1994] 3 CLJ 509; [1999] 6 MLJ 280.

[25] We take also into account the very relevant fact that the first appellant's *locus standi* was accepted in a similar action in the case of *Chocosuisse Union des Fabricants Suisse de Chocolat and Others v. Cadbury* [1998] RPC 117.

[26] In that case, Laddie J after having referred to several authorities, including the case of *Taittinger SA v. Allbec Ltd* [1993] FSR 641 (known as "the *Elderflower Champagne* case") stated that "Those entitled to use the word share a common interest in protecting its purity as a designation applied to a particular type of goods but in no real sense does it belong to an individual trader to do with as he likes". He quoted the following statement of Lord Diplock in that case:

> ... it is the reputation that that type of product itself has gained in the market by reason of its recognisable and distinctive qualities that has generated the relevant goodwill. So if one can define with reasonable precision the type of product that has acquired the reputation, one can identify the members of the class entitled to share in the goodwill ...

[27] It is clear to us that the members of the first appellant share a common interest in protecting the designation "Swiss chocolates" or words which indicate that the chocolates have Swiss origin or connection with Switzerland. They share the goodwill in protecting that designation which the learned High Court Judge had found to be one denoting the reputation of high quality and premium chocolates of chocolates manufactured in Switzerland. The first appellant therefore belongs to the class entitled to share in the goodwill of that reputation, and thus clearly has the necessary *locus standi.*

[28] As for the first appellant's *locus standi* under the GIA, we rely on the definition of "interested person" in s. 2, read together with s. 11 and s. 5 of the GI Act the cumulative effect of which empowers the first appellant to commence this action.

Issue (2): Extended Passing Off

Test For Extended Passing Off

[29] The appellants submitted that the test to be used by the court in a claim for extended passing off is not the same as the test in a claim for the classic passing off.

[30] In a classic passing off case, the test is based on the comparison method, namely the impugned product is compared to the "real' product and similarities/dissimilarities are noted.

[31] According the appellants, in an extended passing off case, what the court needs to do is to determine how members of relevant public will react to the use of the impugned mark in the real world.

[32] The appellants relied on the judgement of Laddie J in *Chocosuisse Union des Fabricants Suisse de Chocolat and Others v. Cadbury* for the proposition that the test in an extended passing off claim is whether those members of the public for whom "Swiss chocolates" have a reputation will be confused into believing that the respondents' chocolate products is one of the group of products which can legitimately bear that designation.

[33] The respondents on the other hand argued that there was no difference in the test to be applied. The aggrieved party must still prove the existence of goodwill, misrepresentation and damages or likelihood of damages.

Decision

[34] Based on the authorities cited before us as well as in the High Court, the basis for a classic passing off case is the use of a person ("the alleged infringer") of a mark or description or name or other form of indication on his goods which gives the impression to the public that those goods are the goods manufactured by another ("the complainant").

[35] Thus, in the classic passing off cases, comparisons are made between goods of the alleged infringer which bear the impugned mark, description, name or other indication with the goods manufactured by the complainant to determine if such use by the alleged infringer may induce members of the buying public to believe that the goods are manufactured by the complainant.

[36] We agree with the appellants, based on the case of *Chocosuisse Union des Fabricants Suisse de Chocolat and Others v. Cadbury* and the cases cited and followed in that case, that in an action for passing off such as the one before us, which has been termed as "an extended passing off", the grievance is not that the use by the alleged infringer of such mark, name, description or other indication on his goods may induce members of the buying public to believe that the goods are manufactured by the complainant, but that such use has the likelihood of inducing the members of the buying public to believe that the goods bearing the impugned mark, name, description or other indication belong to a distinctive group of goods with recognisable and distinctive qualities that has acquired a certain goodwill and reputation.

[37] We agree with the appellants that the test for this specific form of passing off is whether the use of the impugned mark, name, description or other indication by the alleged infringer is likely to cause confusion in the minds of the relevant members of

A the buying public such that some of them at least would believe that the goods bearing the impugned mark, name, description or other indication belong to that distinctive group with the recognisable and distinctive qualities.

B **[38]** We agree with the respondents that misrepresentation and damage or likelihood of damage must also be proved. However, we also agree with the appellants that in an "extended" passing off action such as this, the damage or likelihood of damage to be proved is to the reputation and goodwill that have been acquired C by goods belonging to that distinctive group.

Is "Swiss Chocolate" Descriptive Of A Distinctive Group?

[39] The learned High Court Judge had come to a finding that the class of goods with the description "Swiss chocolate" was a D class of chocolates which "meet the distinguishing factors as pleaded by the plaintiffs where they are manufactured entirely in Switzerland and recognised as high quality and premium chocolate"

E **[40]** This was not challenged by the respondents.

Was There Likelihood Of Confusion?

[41] The learned High Court Judge concluded that in the circumstances of this case the use of the words "Maestro F SWISS" on the packaging of the respondents' chocolate products "is unlikely to lead ordinary members of the chocolate-buying public in Malaysia to believe that the chocolate is a high quality and premium Swiss chocolate".

G **[42]** The appellants contended that the learned High Court Judge erred. The appellants contended that the learned High Court Judge did not give due consideration to the evidence of PW5 and PW6, and had given undue weight to the presentation of the words "Maestro SWISS" and that of the brand name "Vochelle" H as well as details of the manufacturer.

Decision

[43] We note that the learned High Court Judge relied heavily on the evidence of DW1 and DW2 in arriving at his finding that I there was no confusion.

Evidence Of PW6 And PW7

[44] While His Lordship did consider and accept the evidence of PW6 and PW7, he did so in the context of establishing whether "Swiss chocolate" was descriptive of a distinctive group or class of products. His Lordship did not give due consideration to their evidence relating to their perception of the words "Maestro SWISS" on the packaging.

[45] As an example, PW6 in her witness statement (Q&A 22), said that she would think that the words "Maestro SWISS" on the packaging show that the product was from Switzerland or had some kind of connection with Switzerland.

[46] PW6 was referred to the manufacturer's details on the packaging and was asked (Q&A 25) if that would change her mind about buying the product. Her answer was "Probably not because it could be manufactured under a Swiss licence". She was not cross-examined on this point.

[47] PW7 in his cross-examination made similar statements, and more. His answers to Questions 29, 30 and 31 as found in his witness statement show that not only did the words "Maestro SWISS" make him believe the respondents' product was from Switzerland or had links with Switzerland, so did the red and white colours in which the words were presented as they reminded him of the Swiss flag. Interestingly, PW7 was not cross-examined on this part of his witness statement.

Survey By PW5

[48] PW5 conducted a random survey of consumers. The learned High Court Judge did not consider the results of the survey at all. His Lordship faulted the survey on three main grounds:

(1) the target respondents were passers-by near offices and supermarkets within Kuala Lumpur and the Klang Valley only, and thus did not represent a true cross-section of the chocolate-buying public in Malaysia;

(2) the questionnaire had leading questions which presupposed that the Swiss chocolate concept existed; and

(3) the survey took place four years after the filing of this suit.

[49] We examined the survey form. It was a one-page survey form in the following format:

A

SURVEY FORM

M		F	

B

NAME: _____

NRIC No. _____

Please tick:

C

STUDENT	
NOT WORKING	
EMPLOYED	

D

If employed, please state occupation or part-time employment: _____

Do you know anything about Swiss chocolate or chocolate from Switzerland?

E

YES		NO	

If yes, please describe why you know about Swiss chocolate.

F

_____
_____
_____
_____

How long have you known this?

G

Since 1990		Since 2005	
Since 1995		Others, please specify	
Since 2000			

Of these 4 chocolates shown to you, which do you think is from Switzerland or has connection with Switzerland?

H

I

1	VOCHELLE	
2	CADBURY'S	
3	SWISS DELICE	
4	BERYL'S	

Why do you say so? _____

[50] His Lordship stated that courts have generally been cautious in accepting surveys conducted by one side of the parties. His Lordship referred to the case of *Consitex SA v. TCL Marketing Sdn Bhd* [2008] 8 CLJ 444.

[51] We agree that the court must be cautious in considering and accepting a survey conducted by or on behalf of only one party in a dispute. However, being cautious is not equivalent to total disregard of such surveys. In our view the learned High Court Judge erred in not giving any consideration at all to the results of the random survey conducted by PW5.

[52] The location of the random survey, in our view was consistent with the fact that the subject matter was the consumers' perception of chocolate products – an essentially urban consumer product. Surely passers-by near the offices and supermarket in the Klang Valley constitute the microcosm of the consumers in other urban centres of this country?

[53] While leading questions appear to be among the questions in the survey form, we note that taken as a whole, the questions in the survey form are acceptable for their intended purpose.

[54] We note that the first question was "Do you know anything about Swiss chocolate or chocolate from Switzerland". The respondent could answer "Yes" or "No". It follows that if the respondent did not even know of the existence of Swiss chocolate or chocolates from Switzerland, he/she could tick the "No" box.

[55] As for the fact that the survey took place four years after the filing of this suit, we do not believe that it is sufficient to totally discredit the survey or its results, especially since there was no evidence that the respondents knew of this suit.

[56] We note that the respondents were not called as witnesses and thus were not able to be cross-examined. And we accept that the survey form does not require the respondents to leave contact details. But we also note that the respondents gave their identity card numbers. There was no suggestion that the respondents did not exist or that the survey or its result was concocted or falsified. We do however agree that the results must be treated with caution.

[57] The result of the survey indicate that some members of the public are likely to be confused into believing that the Vochelle brand of chocolates produced and marketed by the respondents originated from Switzerland or are Swiss chocolates.

A **[58]** It is true that the result of the survey cannot be the basis for concluding that such likelihood of confusion existed, but they do support the evidence of PW6 and PW7, both of whose evidence shows the existence of such likelihood.

B Details Of Manufacturer Printed At The Back Of Packaging

[59] The learned High Court Judge, in concluding that no likelihood of confusion would arise, took into consideration the fact that information to the effect that the products are manufactured by a Malaysian company in Malaysia is printed in the back portion
C of the packaging.

[60] His Lordship however, in our view, did not consider the evidence of PW6, PW7, DW1 and DW2 who were members of the buying public.

D

[61] PW7, DW1 and DW2 were never asked if they looked at the details of manufacturers. DW1 and DW2 basically said they looked at the brand.

E **[62]** PW6 was asked to look at the manufacturer's details. Her answer to Question 25 in her witness statement interestingly indicates that the words "manufactured under licence and authority of trademark owner by Maestro Swiss Chocolate Sdn Bhd" made no difference to her view that the chocolate maker
F could be Swiss-linked.

[63] The obvious inference from the evidence of the witnesses would have been that the average consumer does not normally examine the details of the manufacturer printed on the back of the product packaging.

G

Conclusion

[64] In our view, had the learned High Court Judge given due consideration to all the evidence before him, he would have come
H to the conclusion, as we have, that there is a likelihood of confusion in the minds of some members of the public that the chocolate products manufactured and marketed by the respondents come from that distinctive group of "Swiss chocolates".

I

Corporate Logo

[65] The learned High Court Judge found that the use of the words "Maestro SWISS" was not inappropriate nor improper as those words and device had been introduced since 2000 as part of the corporate makeover of the respondents.

[66] The appellants submitted, relying on the case of *Mun Loong Co. Sdn Bhd v. Chai Tuck Kin* [1982] CLJ 80; [1982] CLJ (Rep) 590, that the use of one's name is not an automatic defence to a claim in passing off. The respondents on the other hand relied on Lord Simmond's observation in *Marengo v. Daily Sketch* [1948] 65 RPC 242, that a man must be allowed to trade in his own name and if some confusion results, that is a lesser evil than a man should be deprived of what appears to be a natural and inherent right.

Decision

[67] We have carefully examined the evidence adduced before the High Court. We found that the learned High Court Judge had, unfortunately, not given due consideration to the evidence before the court which on the balance of probability shows a conscious use of "Maestro SWISS" on the front part of the packaging so as to give the impression of a link with Switzerland or a Swiss company.

[68] PW2 said in his witness statement, in particular in his answer to question no. 18, that from his experience, where customers knew a particular brand was made in different countries, the discerning ones would ask for the product of the same brand made in a particular country. His evidence that in his view the words "Maestro SWISS" on the packaging was not indicative of the corporate name of the respondents, but appeared to be a strategy to connect the products to Switzerland or Swiss chocolates was not challenged on cross-examination.

[69] PW2 was in fact part of the team that created the "Vochelle" brand name/trade mark. The history of the development of that brand shows that there was a conscious effort to create the impression of a link to Switzerland for marketing purposes.

[70] The evidence of PW2 was that the brand name "Vochelle" was created to compensate for the loss of Chocolate Products (M) Bhd's contract to manufacture and market the "Van Houten" brand of Dutch Chocolates.

A **[71]** To overcome the possible non-acceptance of locally-manufactured chocolates amongst the local consumers, the company took the move of registering a company in Switzerland, calling it "Chocolate Vochelle S.A", which was a subsidiary of Chocolate Products (M) Bhd. The choice of Switzerland was
B deliberate, in view of the reputation of Swiss made chocolates.

[72] The management then marketed "Vochelle", giving the impression of the existence of a Swiss connection by giving the impression that the chocolates were manufactured under licence
C from a Swiss company. "Vochelle", which was manufactured at Chocolate Product (M) Bhd's factory in Mak Mandin Industrial Estate in Penang, in reality had no Swiss origin nor connection.

[73] PW2 was never cross-examined except for one question which was whether the witness was able to say anything about
D Chocolate Products (M) Berhad after 1993-1994. PW2 agreed that he would not be able to say anything about the affairs relating to the company after he left in 1994. PW2 left and joined DR Group, which he claimed to be Malaysia's largest importer and distributor of chocolates.
E

[74] The respondents' group of companies subsequently took over the business of Chocolate Products (M) Sdn Bhd. The evidence of PW2 and DW3 suggest that this happened *circa* 1999-2000.
F

[75] From the manufacturer's details on the packaging (and as quoted in the grounds of judgement of the learned High Court Judge) the respondents appear to have also taken over the factory at Mak Mandin Industrial Estate and its operations.
G

[76] It is quite significant that the manufacturer's details state that the chocolates are manufactured "UNDER LICENCE AND AUTHORITY OF THE TRADE MARK OWNER", who is not named, although evidence shows that the trade mark owner is
H Maestro Suisse Holdings (HK) Ltd.

[77] Thus, the original impressions sought to be created starting from the incorporation of Chocolate Vochelle S.A (which has been renamed and is now in liquidation, according to PW1), were being continued and perpetuated by the respondents in double measure
I by the use of the device "Maestro SWISS" on the front part of the packaging.

[78] That they have apparently succeeded in creating and maintaining that impression can be seen from the evidence of PW6 as shown in answer 25 in her witness statement (for which she was not cross-examined), and from the various online shopping sites (relevant of pages of which were adduced and admitted in evidence but not addressed at all by the learned High Court Judge).

[79] Had the learned High Court Judge given due consideration to the evidence before the court we believe he would have concluded, as we have, that the use of the device "Maestro SWISS" in the circumstances of this case was not a *bona fide* use of the respondents' corporate name and/or logo.

Issue (3): Breach Of The GIA

[80] The learned High Court Judge was of the view that the words "Maestro SWISS" do not constitute a geographical indication. The appellants contention however was that the word "Swiss" in "Maestro SWISS" was sufficient to indicate that the products to which the word was applied come from Switzerland.

Decision

[81] We have carefully perused the grounds of judgement of the learned High Court Judge and found that the learned High Court Judge had dismissed the appellants' claim under the GIA solely on the ground that the impugned words are not a geographical indication.

[82] We are of the view that in the light of the definition of the term "geographical indication" in s. 2 of the GIA and the evidence before the High Court, the learned High Court Judge erred in coming to that conclusion.

[83] However, we took note of the fact that the learned High Court Judge had accepted the evidence of DW3 that the use of the geographical indication being challenged in this case pre-dated the date of commencement of the GIA. In those circumstances, we agree with the respondents that subsection 27(2) of the GIA applies and thus the appellants claim under the GIA must fail.

A

Conclusion

[84] We had accordingly allowed the appeal in relation to the tort of extended passing off, with costs.

B

[85] The order of the learned trial judge dismissing the claim was set aside.

[86] We allowed the orders as prayed in paras 40(1)(a), (b) and (c) (7), (8) and (9) of the statement of claim.

C

[87] We ordered costs in the sum of RM50,000 to the appellants, the amount of which was agreed to by counsel for the respondents.

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